

April 19, 1984

Memo to File:

RE: Crater Exploration Inc.
Cato Placer Sand #1 and
Taylor Livestock Property
ACT/019/016, ACT/019/017
Grand County, Utah

On April 9, 1984, Susan Linner, Tom Tetting and Wayne Hedberg of the Division of Oil, Gas and Mining and Steve McNeal of Environmental Health visited Crater Exploration's placer gold operations along the Colorado River, near the Dewey Bridge accompanied by Wilford Ruf, property manager for Crater Exploration.

Crater will be operating two separate "mines" on the Taylor property one on the old Winecup mine site (called Cato #1) and one to the east (called Nancy). Mining will progress along the cliff face such that the two mining operations will meet in the middle.

Experimental testing of the sand material is taking place on the old Winecup site (CATO #1). The existing pad and sedimentation pond is being used. A \$2,000 bond is still being held on this area put up by D. L. Taylor. The Nancy mine is currently being developed without benefit of permit approval. A pad and sedimentation and process water ponds are being built. The operations have impinged on a natural drainage and all water from the drainage is currently going into one of the ponds. Ways to divert the drainage around the operation were discussed; however, this may be difficult due to topographic constraints. The operator was requested to provide information on pond sizing and the area of the natural drainage basin to determine if the pond can contain all of the potential runoff water.

Memo to File
ACT/019/017
April 19, 1984
Page 2

Experimental testing of the mining process is proceeding at the CATO #1 site using gravity separation techniques. The sands containing the fine gold are trucked off site for further processing. Mr. Ruf indicated that flotation methods of recovering the black sands are being tested. He was informed that use of any chemicals in the process would require DOGM and State Health approval.

The site of the original CATO Placer #1 Mine, on the CATO ranch was visited. Crater Exploration has no further plans to use the area, now that the Taylor lease has been acquired. Regrading of the site had begun and was expected to be finished in a days work time or less. The SCS will then be contacted to recommend fertilization and seeding, as approved in the mining permit, ACT/019/017, granted September 23, 1983.

SCL
Susan C. Linner
Reclamation Biologist/
Permit Supervisor

SCL/jvb
84570

cc: Wayne Hedberg, DOGM
Tom Tetting, DOGM
Rick Summers, DOGM

4/9/1984











